

for an industrial labour force. Lastly, the neglect in the provision of any infrastructural facilities whatsoever, becomes a feature that is more and more harmful over time. The piles of rubbish do not go away, the water does not become less polluted with time.

The conclusion that can be drawn from the descriptions are not pleasant. Genocide is not a pretty word, not even if its effects are going to take 50 years to be felt. Yet one's conclusions can go beyond this. It is at this point that I return to my introduction, to the resurgence of interest being shown in Winterveld.

Calls like those of Mrs Suzman, for an 'urgent solution on the legal status of the area's people to be negotiated by the South African and BophuthaTswana governments' (RDM, 79.08.25) do not help anything, nor do health-education projects, at least not until people have the means to attain the material conditions (food and housing) that would allow such schemes some validity. So too plans for 'squatter upgrading'. For in the last analysis, until people have jobs, until they have the political and economic rights that will allow them to make their voices heard, there is no solution.

The solution to Winterveld is thus not a superstructural one, not a cosmetic one, not something that can be carried out in isolation, but is an integral part of the process of restructuring that will deal with the basic problems of the structure of South African political economy.

The POLITICAL ECONOMY of SURVIVAL

THE UNEMPLOYMENT CRISIS AND INFORMAL INCOME OPPORTUNITIES IN SOWETO.

"When you're out of luck and out of work, you can always go to Johannesburg."

Elvis Costello, 1979

"I've been in Jo'burg two years, and haven't got a job yet; I survive by relying on relatives and friends for handouts, and when things are really bad, I scrounge for food in dustbins ..."

Nqutu Migrant, 1979

THE tale I have to tell is not a dramatic one; it will not have the majesty of that unforgettable day when, on a murky smoke-filled morning, twenty thousand young Soweto school-children marched in anger against yet one more item of oppression, giving expression, perhaps even birth to, a whole new consciousness and spirit of resistance in Soweto and South Africa. What I have to tell is the more mundane story of how people, faced with the same material conditions as those school-children, being subject to the same conditions of oppression and exploitation, take the alternative, long-suffering path of resistance and, at rock bottom, survival. Many of the

causes, of which Soweto '76 was a symptom, are the same ones which structure political and economic life in Soweto today; not much has changed; indeed, much may be worse. So the story here told is both a simple and complex one; it is of how ordinary people, faced with awesome odds, eke out an existence in conditions of poverty and unemployment; how they help each other... and how they exploit each other.

But first, some primary information is necessary: Soweto is a compact, yet sprawling city, covering 88 sq.km, with 102 000 houses and 10 hostels (the latter housing 45 000 people). Officially, there are 800 000 people in Soweto; unofficial, and more accurate assessments put the figure at nearer 2 million. A Bureau for Market Research survey in 1977 showed there to be an average of 10 persons to a house (of which 70% are 51/6, i.e. 4 rooms in toto). The population density is 100 per hectare (Johannesburg is 23). BMR estimates that 350-400 000 people in Soweto are economically active (i.e. in some form of formal wage employment), and commute to work in Johannesburg each day. But this raises a problem,

for if we accept the population figure of 2-million, and assume that half of them would be potential workers, it means there is a shortfall of jobs of over half a million.

This huge disparity between 'formal' wage opportunities and the potential labour force raises serious issues, the most pressing being, how do those not engaged in regular wage employment survive? The State provides only meagre unemployment relief benefits, and has no effective system of social welfare to provide for those who are unemployed in the long term, or who have never been employed before, so neither appear in government statistics, nor can claim benefits. The mass of these unemployed people clearly cannot accept this state of affairs and, as any Soweto dweller or researcher can tell you, most of them are, in fact, economically active. The difficulty is that many of their activities are either legally proscribed, or at least not recorded by government agencies; the result is the same, for they do not appear in official records and are therefore 'statistically invisible'. A number of analysts have called these income-gathering activities the 'informal sector', and they include such pursuits as small-scale distribution (market operatives, street hawkers and petty traders), services (watch repairs, cycle and car repairs), small entrepreneurship, and other activities such as renting out lodgings, prostitution and crime.

To examine the roots of this problem, one must first comprehend the issue of unemployment, the causes of which lie deep in the social formation. The present statistics are appalling enough: It's estimated that in 1977

the unemployed and underemployed in SA stood at 2,3-million, a startling 22% of the Black labour force, and estimates from the conservative University of Pretoria, show that 14 000 have joined the ranks of the unemployed every month since then. Like every other calculation in this field, it is incredibly difficult to get clarity, especially when relying on government statistics - as Mares (1978:19) points out census enumerators were given instructions that:

- 1) A male who describes himself as unemployed, living in a rural area, was to be classified as employed in agriculture.
- 2) A man who indicated the occupation and industry of his last job, but was unemployed, had to be classified as employed in that industry.
- 3) All the females (age 16+) in rural areas and unemployed had to be classified as farm workers, unless the wife was the household head.
- 4) A woman who gave her occupation as domestic servant and who was unemployed, had to be classified as domestic servant.

However calculated, these are bleak figures. Let us suppose the unemployment/underemployment rate runs at 20%; compared with a place like Britain, an unemployment rate of 5% is considered a crisis, and governments begin to fear for their safety. What Simkins, Clarke, Mares and others all agree upon is that South Africa is plunged deep into an unemployment crisis, for not only are we subject to the usual capitalist cycle of boom and recession which alternately sucks in or expels workers, in what has been called cyclical unemployment, but we are also

subject to structural unemployment - unemployment which, despite cyclical fluctuations, is on an ever ascending gradient. Simkins argues that unemployment stood at 1,2-million in 1960 (18,3% of the labour force) and rose to 22,4% in 1977. Even in the period of uninterrupted boom, from 1960-1969, the rate of un- and underemployment stood at a steady 19% (while the economy grew at 5,9% per annum).

The causes of this malaise are to be found in the structure of the economy, which has historical antecedents. The reader doesn't have to be reminded of the mobilisation of labour supplies in South Africa - processes of proletarianisation were set in motion in the nineteenth century (cf Bundy 1972), the logic of which is still working itself out, so that more and more people still flow from rural to urban areas, as the last pretence of a rural, pre-capitalist economy crumbles away. But capital accumulation not only requires a labour force, it also needs a reserve army of unemployed to act as a disciplinary force upon the employed, keeping them in a position of insecurity, and keeping down wages; it also needs an i.r.a. (industrial reserve army) to be held in reserve in order to be available to develop new areas in which capital may wish to invest.

But our unemployment crisis in South Africa seems to be predicated primarily on the logic of capital accumulation and development. Here, as elsewhere, due to the tendency of the rate of profit to fall, and the concomitant ceaseless search for greater productivity, there is a trend towards mechanisation in industry. Capital intensity means the employment of relatively fewer

workers, and more and more workers are being replaced by machinery (Maree claims that 90% of SA technology is imported - from USA and UK, home of monopoly capital). Agriculture seems to be particularly badly hit where, for example, there has been an 800% increase in the number of tractors since 1945. Maree points to industrial decentralisation as blocking urban job creation, and the industrial colour bar as being further causes of structural unemployment - the latter now almost defunct, but replaced by the more sophisticated Wiehahn and Riekert recommendations which permit closed shop unions and tighten up influx control.

So we arrive at a position where, given the enormous mass of unemployed people, given the fact that it is largely structurally determined and therefore is unlikely to decline, and given the refusal of the government to provide social security for Blacks, we have to pose the question: How do all those unemployed and underemployed people survive? The state, of course, would argue that Blacks have access to alternative sources of income, notably from rural agricultural activities. However, a large number of Soweto dwellers are permanently urbanised, and the rural (homeland) economies have long been unable to support or even subsidise migrant earnings. Liz Clarke's study of Nqutu showed average monthly earnings to be R14,87 in an area where the PDL stands at R96,00; (Clarke and Ngobese, 1974:55); my own findings for northern Zululand were of a family income of R24,00, and in any event, rural agriculture is so weak that there is a mass of rural unemployed people - a report from Ekuvukeni,

near Ladysmith, detailed the case of a rural magistrate who advertised 100 jobs in a chicken factory. He had 5 000 applications, and refuses to advertise again because the crowd trampled his garden flat and ate all his vegetables.

Furthermore, employers in Johannesburg do not distinguish among their labourers as to whether they are migrant or not, all are paid the same wages. Employers don't calculate a 'just wage', based on a calculation of a subsidy from a pre-capitalist sector; they pay wages determined by class struggle, and the balance of forces have been on their side thus far. What is the case, is that wages are generally forced so low that families have to seek to supplement their appalling level; the 'informal sector' offers opportunities to do this.

The relationship between unemployment and the so-called 'informal sector' is a direct one. This mass of potential workers, many of whom will never find employment again in the sectors of monopoly, and perhaps even competitive capital, form a kind of marginalized labour force.

This marginalized group of workers is forced to engage in 'marginal' or 'informal' income gathering activities; the 'marginal pole' of the economy as it has been described by Quijano (1974) acts as a soak-pit which absorbs the surplus labour power of those who never gain 'formal' wage employment or who are thrown out of work by the increasing capitalization of industry. I shall shortly set out some of the theoretical problems regarding the so-called 'informal sector'; empirically however, there are clearly a

number of activities which have the appearance of informality, and which offer a modicum of subsistence to its practitioners.

It is more appropriate therefore, not to speak of unemployment, but rather to refer to underemployment, since it's rare that any person could survive for any length of time without regular employment and no State-provided unemployment benefits. The unemployed therefore, quickly seek strategies for survival in this situation, which can range from relying on family, friends or members of reciprocity-based voluntary associations, which are a short-term means of survival, but the longer term strategies must be aimed at a stable source of income, and 'informal sector' activities are the most accessible. The unemployed thus are frequently engaged in economic activities, but they often are less remunerative than 'formal' wage employment, people are frequently employed at levels below the skills they have to offer, or are employed only sporadically. It is this phenomenon which is best described as underemployment; in better circumstances, these people would be using their education and skills to the full, but failing that they would be totally unemployed.

The Social Organization of Poverty

'..... if the capitalist system does not provide adequately for old age pensions, sick leave and unemployment compensations, they have to rely on another, comprehensive socio-economic organization to fulfil these vital needs... in the absence of a precapitalist mode of production... once permanent settlement is allowed in the capitalist sector, these functions are fulfilled by urban mutual-aid associations.'

Meillasoux, 1972

I do not wish to resuscitate any form of 'the culture of poverty' here; the mutual-aid associations referred to above are forms of social organisation which can be seen as forms of resistance, defensive and offensive strategies for embattled people in a hostile social formation. Town dwellers organise around themselves networks of people on whom they can rely: self-help groups or social security networks, phrased in an urban idiom, and aimed at the goal of survival. Let us turn our attention to a handful of them, by way of illustration. There are many more than those enumerated below, but these will suffice to illuminate the issues.

At the core of any social network are those whom one can trust implicitly, those who will give assistance willingly, immediately, and without counting the cost. They are, of course, one's kinsfolk, with whom the idiom of reciprocity is paramount and who share in the crises and pleasures of one's life. Research evidence shows that in major calamities like losing one's job, or a death in the family, it is kin who rally to support first, and whose support lasts longest. Kin are also the people who help find employment, accommodation, and who bribe or bail one out of the clutches of the law. They are, in short, indispensable.

The migrant coming to town is faced with a further dilemma: frequently his kin are dispersed and few in number, yet a network of sympathetic individuals is ready-made in the form of his amakhaya, or home-people. Drawn from a locality in the rural area, the bonds of territoriality are remarkably strong when called upon to take the pressure of a calamit-

ous event in the life of one of its number. Amakhaya groups also have other uses as well, for, like kin, they aid people in finding employment and lodging, and generally act as a conservative force in keeping the migrant's allegiance firmly set on his rural ties. The makgotla is a broader, but equally conservative, response to the apparent lack of social control in deep Soweto. It is a sort of do-it-yourself form of justice, with appeal to migrants.

South Africa, like most Third World countries, pays its workers extremely low wages, which have to be carefully conserved and stretched. The poor respond in typical fashion; they create systems of redistribution, which help meagre incomes extend to the limits of their elasticity. These patterns of redistribution percolate through social networks to finally find their way into the pockets of those who are unable to find wage employment; it is above all a social form of redistribution, operating amongst friends, neighbours, workmates, acquaintances and friends of friends. The most common forms of this blend of economic redistribution with social commitment are the stokvels and mohodisaano. Both are forms of rotating credit association, where members pool a portion of their weekly or monthly earnings, taking it in turn to scoop the pool.

The stokvel also has a very clear celebratory and recreational aspect for, when the money is pooled, the person whose turn it is to collect the kitty also throws a party, at which food and alcohol are bought by participants at inflated prices. Thus, the person holding the stokvel (most commonly a woman, as

she has cooking and beer brewing skills) not only gets a large lump sum of money, but will also make a profit on the party. An example of one such group has 30 members, each contributing R10 per month, which means one waits the lengthy period of two and a half years to reap the benefits of membership, but when one does, one gets a clear R300, plus about R50 from the party. This relatively large sum of money can then be spent on an item which one might not normally aspire to, like a refrigerator, or more pertinently, can be redistributed again to kin and others who have pressing social needs. It's not uncommon for people to throw a 'party' alone, where it is understood that food and beverages will be sold for profit. This is often practised by single women (especially divorcees and widows) as a means of earning a sporadic income.

A number of urban social groupings are explicitly created as a means of coping with crisis in a society denied social welfare. They are known by evocative names, such as masibambane (hold hands) or metaidisho (river in flood) and comprise a set of people who make regular financial contributions to a fund, which is used to tide one of their members over a calamity, and they also provide, both practically and ideologically, a sense of commitment and security. The most pervasive and effective of this form of defensive self-help organization is the funeral association (cf Kramer, 1975). There is in Soweto an ideal that one should die well, with dignity, and to be buried well is a major component of the belief, so that the self-respect so systematically denied on a day-to-day basis can, in the final irony, be achieved in the

grave. But the cost of dying is not cheap. A recent funeral in Soweto cost the widow R240 for a coffin, R120 to hire two buses and R150 for food and beverages for the mourners. The sum of R510 is far beyond the reach of a household whose monthly income was R80. If it were not for the funeral society to which her husband had belonged, which provided R400, the widow would have presided over a pauper's burial. Members of a funeral association meet regularly, contribute to a fund monthly, and are willing helpers in predicaments other than death as well.

Finally, the most visible and audible of the mutual-aid associations are the small separatist churches (usually Zionist) that abound in Soweto. There are known to be well over 2 000 of them, with an average membership of 30. With an obvious emphasis on spiritual, communal and social rather than material aspects, these small groups (much the same in number as stokvels and funeral societies) provide their members with a sense of belonging and respect through their colourful and distinctive uniforms and the abundance of status positions within each small church. The spiritual comfort tends to be a negative one, in the sense that the tendency is to preach a message of 'suffer now - and your reward shall be in the kingdom of heaven'. But these religious groups perform other important functions for, if many Soweto dwellers are poor, separatist church members tend to be poorer. A recent study in Kwa Mashu showed that by most indices of poverty, Zionist church members were worse-off - they had lower incomes on average, there were a preponderance of single women, their

children had a higher infant mortality rate, etc (Kiernan, 1977). In short, spiritual aspects aside, it appears that these churches represent the last network of survival for many urban black people.

All the forms of social organization mentioned above help construct a latticework of overlapping ties; they are means of spreading the risk in an environment characterized by scarcity, and they also help to build a platform from which the more successful can launch themselves into moderately remunerative enterprises.

The 'informal sector': its nature and the problem of theorization

We've all come into contact with the informal sector at one time or another: from the person who sells one an apple from her box in Rissik Street, to the man who knocks on your front door, selling home-made baskets and brooms, the women who make indigenous jewellery or clothing, or the person who helps you redistribute your wealth by dipping his hand into your pocket in a busy street or a football match. For many people in Soweto, the so-called informal sector is the sole source of income, for others, it is a supplement for low wages. It is common to find that, in one family, there is one wage earner, and as many as two or three who participate in informal income gathering activities. In Kenya, 28-33% of all employment is in the informal sector; preliminary indications from our survey in Soweto indicate that it is much higher here.

It was Keith Hart who first coined the term 'informal sector', and he provides a good indication of the conventional wisdom

on the subject in his typology of urban income opportunities in Ghana (1973:69):

Formal income opportunities

- (a) Public sector wages
- (b) Private sector wages
- (c) Transfer payments - pensions, unemployment benefits

Informal income opportunities: legitimate

- (a) Primary and secondary activities - farming, market gardening, building contractors and associated activities, self-employed artisans, shoemakers, tailors, manufacturers of beer and spirits
- (b) Tertiary enterprises with relatively large capital inputs - housing, transport, utilities, commodity speculation, rentier activities
- (c) Small-scale distribution - market operatives, petty traders, street hawkers, caterers in food and drink, bar attendants, carriers (kayakaya), commission agents, and dealers
- (d) Other services - musicians, launderers, shoeshiners, barbers, night-soil removers, photographers, vehicle repair and other maintenance workers; brokerage and middlemanship (the meigide system in markets, law courts, etc); ritual services, magic, and medicine
- (e) Private transfer payments - gifts and similar flows of money and goods between persons; borrowing; begging

Informal income opportunities: illegitimate (illegal)

- (a) Services - hustlers and spivs in general; receivers of stolen goods; usury, and pawnbroking (at illegal interest rates); drug-pushing, prostitution, poncing ('pilot boy'), smuggling, bribery, political corruption Tammany Hall-style, protection rackets
- (b) Transfers - petty theft (eg pickpockets), larceny (eg burglary and armed robbery), speculation and embezzlement, confidence tricksters (eg money doublers), gambling.

The interest that the informal sector has generated among researchers and development planners is remarkable, but understandable,

when its positive qualities are examined. Hart emphasised that it was characterised by: ease of entry, reliance on indigenous resources, family ownership of enterprises, labour intensive and adaptive technology, small scale of operation, skills acquired outside the formal school system, and unregulated competitive markets. The 'formal sector' is the opposite of almost all these factors. The attractiveness of the 'informal sector' concept is also that the phenomenon is so visible and accessible - it's to be found on almost every street corner. It also has many apparent benefits, such as producing goods and services cheaply in a community of repressed wages (back street mechanics, watch repairers and home dress-makers do indeed produce articles and services cheaper than are obtainable in the city centre) and helps ward off the worst ravages of unemployment by opening up further income earning or job opportunities for the victims.

It would perhaps help to focus our attention to look at who is interested in the 'informal sector'. Two major organizations who are interested in the problem of Third World unemployment and the issue of underdevelopment, the International Labour Organization and the World Bank, have both conducted a series of major studies; neither organization is well known for being representative of the world's workers or unemployed, although to be fair, the ILO study of Kenya was a fairly radical document, which used a form of dependency theory to argue that the Kenyan economy had been stunted by neo-colonialism. Its solution however, was merely to attempt to support informal sector activities in the

hope of assisting the emergence of a class of small but indigenous capitalists, who would create wider job opportunities.

Within South Africa, the major agency which has expressed interest in this sector of the economy is the Urban Foundation. Intriguingly, the UF has embarked on job creation schemes, but by far its largest commitment has been to provision of better housing for blacks. The UF, in a pamphlet aimed at encouraging businessmen to support their objectives, writes, "There is also a great need for a variety of accommodation, from flats to elite houses, to allow for normal social progression according to status". It is monopoly capital which, in South Africa, is taking an interest in, and supports some aspects of the informal sector. They are mostly aimed at stabilizing a volatile working class, and embarking upon a policy of embourgeoisement. Bodies such as the UF perceive and portray the relationship between the formal and informal sectors as a kind of dual economy, and the relationship between them as essentially a benign one.

It is of interest that the State either ignores or actively harasses informal sector activities, while large scale private enterprise actively supports it. While the creation of a large industrial reserve army is necessary for capital accumulation, a starving and restless one is not. Soweto 1976 showed the State and capital the level of desperation to which the working class had plunged, especially those who were shortly to be thrown onto the job market, and both have responded, the State at first with open repression, then with the more subtle Riekert and Wiehahn

Commissions; private enterprise set up the Urban Foundation. The latter, in urging businessmen to participate in funding 'a prestige housing development in Soweto, make their final plea:

'Participation by employers in projects of this nature not only improve in-company employer/employee relationships, but constitute a sound investment in the future stability of South Africa's business environment. In this way companies can contribute towards a process of facilitating increased freedom of access by Black people to the free enterprise system'.

The goal of the UF has been echoed by Mr David Thebehali, a Soweto businessman, who said in a recent interview, 'conditions that would limit unrest and protect investment must be created. These conditions can only be created if the average dweller also experiences a change for the better in improved housing and services...' He went on to suggest that an investment of R500-million to develop Soweto would eliminate a recurrence of the 1976 upheavals (Rand Daily Mail Extra, 79.10.24). In a speech to the Afrikaanse Studentebond in July, Mr Thebehali also claimed that most urban blacks were 'apolitical and would support the political leader whom they believed would create the best financial and economic climate to fulfil their aspirations' (RDM, 79.07.12). A case, perhaps, not of black is beautiful, or even small is beautiful, but rather, petty-bourgeois is pretty?

Towards a critique of the informal sector concept

While it is true that many of the activities that have been broadly defined as belonging to the informal sector are essential to the

survival of people who would otherwise be unemployed, and to suppress or remove such activities would cause immeasurable suffering, and while at its sharper end some of these activities are genuine attempts at assistance to an impersonal economy and an uncaring State, there has, nevertheless, been a tendency to confuse the issues. As Browley points out, the formal/informal dichotomy is too crude and simple. For instance, such diverse activities as petty capitalism and entrepreneurship are categorized with door-to-door offal sellers, street hawkers, prostitutes and criminals. And if one takes illegality as a definitional point, then both the pickpocket at the soccer game and Eschel Rhodie are informal sector operatives. Furthermore, at a stroke of a pen, the illegality would be removed, but it would surely alter very little the way of producing that the informal sector operator uses.

A major fallacy that must be refuted is the dualism of the formal/informal dichotomy. Many scholars assume that the two sectors, while they interact, are nevertheless independent whereas, as can be seen, the one is created by and under the dominance of the other. Leye (1973) provides a useful insight when he points out that the informal is intimately tied to the formal sector, for smallholders provide cheap foodstuffs, pastoralists cheap beef, etc. In Soweto, old car tyres are turned into shoes that last for five years, at a cost of R2,50, while manufactured, shop retailed ones cost over R20 and last two years. Bicycle, car and watch repairs all provide cheap services geared to the spending power of an impoverished community.

The dualist view is also alluring to its supporters because it is portrayed as helping the poor while there's no apparent threat to the rich. Informal sector incomes tend to be very low, the reasons being suggests the ILO because (a) it is servicing a low income community, (b) there is official discouragement, because of officialdom's pejorative view, and (c) there's a lack of demand from the formal sector (Leye, 1973). The way to faster development, in this view, is to support the informal sector, as the ILO recommended for Kenya, and the UF encourages for South Africa. But, as will shortly be argued, the dualist myth obscures an important truth: that to the formal sector accrues most of the benefits of a viable informal sector. It is not two separate economies, but one and, by a process of unequal exchange, and providing a subsidy for low wages, employers can rely on the 'informal sector' to increase the amount of surplus value extracted from their labourers. Indeed, the lower the incomes in the 'informal sector', the greater the profits in the 'formal'.

It is theoretically more acceptable to argue that the 'informal sector' as a concept has no explanatory power, but is what Wittgenstein called an 'odd-job word', one which is useful as a general direction finder. Rather one should break down the various activities into areas that can be handled in a manageable form and which will also be theoretically informed. There are small capitalists, whose goal of production is to accumulate and expand; there are petty commodity producers, more concerned with subsistence than pursuit of large profit; there is the sphere of circu-

lation and services; networks of income redistribution, and finally, and very importantly, crime and lumpenproletarian activities. This last category, for want of a better term, refers to a gamut of activities, ranging from theft for subsistence (there has been an increase in thefts of food from supermarkets abutting onto Soweto), and other attempts at redistribution, such as the delivery driver for a sweet factory who supplements his low pay by loading more boxes of sweets onto his truck than was consigned, and later sells it, through prostitution to organised crime.

All the above activities, including petty commodity production, are not in a 'dual' relationship to capitalism, they are integral to it. As Banaji (1978) remarks, petty commodity production can only be a form of production (eg often using unpaid family labour, with a goal of subsistence rather than accumulation, etc), never a mode of production. Historically, it has always been subordinated to other modes, eg feudalism, and tends to be transitional. Thus, to speak of petty commodity production is not to posit a form of dualism. On the contrary, immanent to the concept is the notion of subordination. Followers of important feminist debates will notice a close resemblance between some of the issues raised here and the domestic labour debate. Both relate to the way in which capital benefits from the unpaid labour of many of whom they do not directly employ, those who service the working class and assist in lowering the cost of reproduction of labour power (vide, eg the CSE Pamphlet No 2: The Political Economy of Women)

The most important function of all these

economic activities that have been called 'informal', and the reason why agencies like the ILO and the interests of local monopoly capital in the form of the UF take such an interest in them, is that these social and economic activities are of direct benefit to them. Not just in the sense that it helps ensure a stable and docile labour force (and especially reserve army of unemployed, especially women), but rather there are direct economic gains. At their lowest level, these informal activities provide goods and services which capital or the State do not yet find profitable. Further, a system of subcontracting to informal sector operators works to the benefit of larger capitalist forms, as the subcontracted services are usually provided at well below the level that the capitalist could provide himself.

The major benefit the 'informal sector' passes to the capitalist entrepreneurs is its function of lowering the cost of reproduction of labour power. It's true that some commodities in the circuit of petty production and distribution are more expensive than can be bought in supermarkets, but for the most part, repairs are cheaper, savings are made on clothing, footwear and food. Also, since these activities are so closely tied to social groupings and redistributive networks, these activities are clearly forms of provision of social security; a direct saving to employers and State, as the former can pay low wages which employees are forced to accept, and to the latter, in that social welfare can be fobbed off as being unnecessary.

Petty production and distribution then,

is comparable to and should be viewed in conjunction with, rural subsistence (or rather sub-subsistence) cultivation, for both perform the function of social security: self help, kinship cooperation, caring for the sick, recuperating, the aged and unemployed, place of socialising the young and ensuring the reproduction of the labour force, etc. It provides a redistributive network, but this does not generate 'new' income, but merely redistributes that income which filters from formal wage employment. Both rural and urban manifestations therefore service the industrial reserve army, and contribute to the certainty that labour is sold beneath its value. A final point for those who lionise the informal sector as a panacea for unemployment and low wages: most available evidence shows that labour is more ruthlessly exploited by petty producers and small entrepreneurs than elsewhere. A 60-hour week is not uncommon, and remuneration is frequently unconsciously low - a Winterveld coal merchant pays his labour R1,00 per day for a 12-hour day, seven days a week, largely employing child labour.

.... stunned,
Magaica* lit a lamp
to search for lost illusions,
for his youth and his health which stayed
buried
deep in the mines of Johannesburg.
Youth and health,
the lost illusions
which will shine like stars
on some lady's neck in some City's night.

- Noemis de Sousa

*magaica = migrant labourer.

David Webster

Gold price

GOD was fixed lower at \$115 in London yesterday after erasing this morning's fixing gain, to \$118.25.

Rand Daily Mail, 76 10 02

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